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6 November 1984

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director of Central Intelligence
Executive Director
Deputy Director for Intelligence ✓FROM : [REDACTED]
Director of Global Issues

SUBJECT : Your Next Meeting with McFarlane [REDACTED]

1. Action: No action required, for your background use only. [REDACTED]
2. Background: For your next meeting with Bud McFarlane you should be aware that he plans shortly after the election to raise with the President some new approaches the administration might take in dealing with the economic problems of LDCs. As I understand it, McFarlane has asked some members of the NSC staff to think about ways that the USG might respond to the needs of different groups of LDCs--for example, by in effect forgiving USG loans to the poorest countries, by seeking OECD reductions in trade barriers against the NICs, or by providing trade finance to debtors. The NSC apparently is also considering reviewing the AID program in part to increase US flexibility in responding to LDC requests. This information came from [REDACTED] now on a rotational assignment to the NSC staff, who informally discussed the issue with three OGI analysts on 5 November. [REDACTED]
3. McFarlane is not aware that Agency people have been consulted on this matter. Nevertheless, you might independently want to take this opportunity to discuss with him the study you commissioned last summer, titled "Economic Change and the Third World: Shifting Strategic Leverage." The draft, prepared by [REDACTED] bears directly on the question of what Western governments might do through the support of private sector initiatives to restore or gain influence in the Third World. It has not been distributed outside the Agency. [REDACTED]

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